

**Cape Light Compact JPE  
Executive Committee &  
Governing Board Meeting**

**DATE:** Wednesday, July 17, 2019  
**LOCATION:** Cape Light Compact Offices – MV Conference Room  
261 Whites Path, Unit 4, South Yarmouth  
**TIME:** 2:00 – 4:30 p.m.

**AGENDA**

**2:00 PM**

**Public Comment**

**Approval of Minutes:** July 10, 2019

**Chairman's Report:** Introduce Treasurer to Report on Uninsured Cash Balance. Presentation and Banking Options, By Glivinski & Associates, Discussion and Potential Vote

**Financial Reports,** Peter Cocolis

**Administrator's Report:** (1) Consumer Advocacy Worksheets, DPU 15-122 and DPU 18-50, Informational Purposes Only, no action required; and (2) Release of Executive Session Minutes

**Open Session Vote on entry into Executive Session** pursuant to M.G.L. c. 30A §21(a)(3) and(10) to provide an update on Pending Regulatory Litigation and strategy discussion related to the Compact's Current Priority DPU Dockets (see below), and ) to review and approve, and potential vote to consider whether to release, executive session minutes from July 19, 2019 that discuss trade secrets and confidential, competitively-sensitive or other proprietary power supply information; regulatory litigation strategy for DPU 18-116. CLC 2019-2021 Energy Efficiency Plan Filing; the Cape Light Compact 2019 and beyond power supply program portfolio (renewable energy and REC contracting) as well as whether it is appropriate to release any portion of confidential competitive electric supply contract provisions, to return to open session thereafter.

1. DPU 15-122 Grid Modernization
2. DPU 16-127 2013-2015 Energy Efficiency Term Report
3. DPU 17-164, Joint Distribution Company Proposal Regarding Distributed Generation Interconnection Standards
4. DPU 18-50, Eversource Performance-Based Ratemaking Metrics
5. DPU 18-116, CLC 2019-2021 Three-Year Plan, Compact Active Demand Response and Cape & Vineyard Electrification Offering
6. DPU 19-07, Investigation into Consumer Protection and Retail Electric Competitive Supply
7. DPU 19-55, Distributed Generation Interconnection Standards
8. DPU 19-96, 2016-2018 Energy Efficiency Plan, Three-Year Term Report

## **Energy Efficiency Program**

1. 2016-2018 Energy Efficiency Plan Term Report Presentation, Phil Moffit
2. Update on Proposed Active Demand Response Offering and Proposed Revisions to Cape & Vineyard Electrification Offering (CVEO), Austin Brandt
3. 2020 Energy Efficiency Surcharge Update, Maggie Downey

**Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)**

**Cape Light Compact JPE  
Governing Board  
Meeting Minutes  
Wednesday, July 17, 2019**

The Cape Light Compact JPE Board of Directors met on Wednesday, July 17, 2019 in the Martha's Vineyard Conference Room at the Cape Light Compact JPE Offices at 261 Whites Path, Yarmouth MA 02664 at 2:00 PM.

**Present Were:**

1. David Anthony, Secretary, Barnstable
2. Peter Doyle, Barnstable Alternate
3. Robert Schofield, Bourne
4. Peter Cocolis, Chatham
5. Timothy Carroll, Chilmark – **By Phone**
6. Brad Crowell, Dennis
7. Fred Fenlon, Eastham
8. Alan Strahler, Edgartown
9. Ronald Zweig, Chair, Falmouth
10. Valerie Bell, Harwich
11. Wayne Taylor, Mashpee – **By Phone**
12. Richard Toole, Oak Bluffs – **By Phone**
13. Nathaniel Mayo, Provincetown
14. Leanne Drake, Sandwich
15. Richard Elkin, Wellfleet
16. Sue Hruby, West Tisbury
17. Joyce Flynn, Yarmouth

**Absent Were:**

1. Michael Hebert, Aquinnah
2. Colin Odell, Brewster
3. Robert Hannemann, Dukes County
4. Martin Culik, Executive Committee, Orleans
5. Kirk Metell, Tisbury
6. Jarrod Cabral, Truro

**Members/Alternates:**

Physically present: 14

Present by phone: 3

**Legal Counsel:**

Jeffrey Bernstein, Esq., BCK Law, P.C.

**Staff Present:**

Austin Brandt, Senior Power Supply Planner

Dan Schell, Marketing and Communications Coordinator

Maggie Downey, Administrator

Margaret Song, C&I Program Manager  
Megan Terrio, Comptroller  
Melissa Allard, Senior Administrative Coordinator

**Consultant:**

Emily Davis, Glivinski & Associates, Inc.

**Public Present:**

Janice Marks, Bourne

Ronald Zweig called the meeting to order at 2:02 PM. Ronald Zweig recognized Wayne Taylor of Mashpee and Richard Toole of Oak Bluffs who were remotely participating because physical attendance at the meeting would be unreasonably difficult.

**PUBLIC COMMENT:**

There was no public comment.

**APPROVAL OF MINUTES:**

The Board considered the June 12, 2019 Meeting Minutes. On page three under Energy Efficiency Program it should say "Energy Efficiency Advisory Council (EEAC)."

*Robert Schofield moved the Board to accept the minutes as amended, seconded by Fred Fenlon.*

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Abstained
Brad	Crowell	Dennis	Abstained
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Wayne	Taylor	Mashpee	Abstained
Richard	Toole	Oak Bluffs	Abstained
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

*Motion carried in the affirmative (9 – 0 – 4)*

**Nathaniel Mayo joined meeting at 2:06pm.**

**Valerie Bell joined meeting at 2:10pm.**

**CHAIRMAN'S REPORT, TREASURER TO REPORT ON UNINSURED CASH BALANCE. PRESENTATION, BY GLIVINSKI & ASSOCIATES:**

Emily Davis, Glivinski & Associates, presented the Compact's options for reducing the custodial risk (risk of bank failure) of the Compact's deposits. As of December 31, 2017, \$7.4M of the Compact's bank balance was uninsured and potentially exposed to custodial credit risk. She stated that the first option would be to stay with Rockland Trust. Rockland Trust has the highest rating, green with three stars. These ratings come out quarterly and therefore can be reviewed quarterly. The second option would be to use Rockland Trust's additional insurance. The interest income rate would drop from 1.1% to 0.6% and the estimated cost/loss due to the interest rate drop is \$92,500. The third option is to request proposals from other banks. Cooperative Bank of Cape Cod, Cape Cod Five and TD Bank have all contacted. These three banks are able to issue letters of credit and are on the approved list from ISO New England.

Peter Cocolis stated he didn't realize Rockland Trust was proposing to lower the interest rate as a way to mitigate the custodial credit risk. Emily Davis stated that Rockland Trust collateralizes funds to pay for insurance. Maggie Downey stated Rockland Trust partners with another bank to provide the Letter of Credit ("LOC") to the ISO New England ("ISONE") and that the Compact does need a bank that can post a letter of credit with ISONE. Meetings have been set up this week with other banks. She stated that she is looking for direction from the Board on what it wants to do. Sue Hruby stated that the Compact should look at other banks and know what options there are. Maggie Downey stated that the Compact will look for the best deal relative to risk and interest rate as well as the ability to obtain a LOC to provide ISO New England. Sue Hruby stated it would be a good idea to have information on the bank's insurance company as well.

#### **FINANCIAL REPORTS, PETER COCOLIS:**

Peter Cocolis reviewed the energy efficiency budget. To date, 27.8% of the budget has been spent which is low. However, there are many invoices currently being processed.

Peter Cocolis reviewed the operating budget. To date, 35% of the budget has been spent. Maggie Downey stated that she included the original appropriation and revised budget on the expenditure list to show where funds have been moved. Funds were moved to pay the Compact's insurance through the Massachusetts Interlocal Insurance Association (MIIA). Ron Zweig asked if the reserve fund would be coming out of this operating budget. Peter Cocolis stated that it would be coming out of the next budget. There will be a budget line for the reserve fund.

#### **ADMINISTRATORS REPORT:**

Maggie Downey introduced Megan Terrio, the Compact's new comptroller. She also introduced the Massachusetts Maritime Academy interns, Dominic Vaccari and Anna Deeley, who have been helping out enormously.

#### **Open Session Vote on entry into Executive Session pursuant to M.G.L. c. 30A §§21(a)(3) and (10) to discuss matters below, to return to open session:**

- 1. Review and approve, and potential vote to consider whether to release, executive session minutes from May 9, 2018, June 13, 2018, December 5, 2018, January 9, 2019 and February 13, 2019 that discuss trade secrets and confidential, competitively-sensitive or other proprietary power supply information and/or regulatory litigation strategy for DPU 18-116, CLC 2019-2021 Energy Efficiency Plan Filing and/or the Cape Light Compact 2019 and beyond power supply program portfolio (renewable energy and REC contracting) as well as whether it is appropriate to release any portion of confidential competitive electric supply contract provisions**

**Draft Minutes subject to correction, addition and Committee/Board Approval**

Ronald Zweig at 2:35 PM moved to enter into Executive Session pursuant to M.G.L. c. 30A §21(a)(3) and (10) to review and approve, and potential vote to consider whether to release, executive session minutes from May 9, 2018, June 13, 2018, December 5, 2018, January 9, 2019 and February 13, 2019 that discuss trade secrets and confidential, competitively-sensitive or other proprietary power supply information and/or regulatory litigation strategy for DPU 18-116, CLC 2019-2021 Energy Efficiency Plan Filing and/or the Cape Light Compact 2019 and beyond power supply program portfolio (renewable energy and REC contracting) as well as whether it is appropriate to release any portion of confidential competitive electric supply contract provisions, to return to open session thereafter.

Each member participating remotely has stated that no other individuals are present and/or able to hear the discussion at his or her location, unless the presence of such individuals has been approved by a vote of the public body.

Ronald Zweig declared that an open session may adversely affect the Cape Light Compact's litigating position. The Governing Board will return to Open Session at the conclusion of Executive Session. Seconded by Robert Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Nathaniel	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (16 – 0 – 0)

**Return to Open Session**

At 3:02 PM, Ron Zweig asked for a motion to end executive session, moved by Peter Cocolis, seconded by Joyce Flynn.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes

Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Nathaniel	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (16 – 0 – 0)

**ENERGY EFFICIENCY PROGRAM:**

**1. DPU 18-116: Update on Discussion with Eversource Over the Compact’s Active Demand Response Initiative, Austin Brandt**

Austin Brandt stated that negotiations are progressing fairly well. Eversource has agreed to most mitigation measures that the Compact presented. The Compact believes that it is close to an agreement that will allow it to move forward. Sue Hruby asked why Eversource may have shifted. Austin Brandt stated that he doesn’t know. Eversource stated before that the distribution side of Eversource was the holdup. Also, customers were going to Department of Energy Resources (“DOER”) asking why they can’t participate in this program while the rest of the state is doing it. After there is a signed agreement with Eversource it will be presented to the Energy Efficiency Advisory Council (“EEAC”) and then filed at the Department of Public Utilities (“DPU”) for final approval. Ron Zweig asked when the Compact thinks it may be able to start the program. Austin Brandt is hopeful that the program will be up and running for next summer. Ron Zweig asked if people have been calling about the program. Austin Brandt stated that there has been a higher call volume recently, especially from those who already have batteries. People have been calling DOER and the Massachusetts Clean Energy Center asking questions and then they have been directing those people to the Compact. A list is being kept of those interested in the program that will be contacted when the program gets started.

Richard Elkin asked about the thermostats that were remotely controlled during peak hours and how many of them are no longer working. Austin Brandt stated that the Compact is working with those customers to replace those thermostats with compatible ones and that there are more available now. Also, customers who already have compatible thermostats can enroll.

**2. Cape & Vineyard Electrification Offering (“CVEO”) Update: Changes and Potential Funding, Maggie Downey**

Maggie Downey stated that the DPU order on the Compact’s 2019-2021 Plan commented that it appreciated the effort the Compact has made on CVEO, but the DPU stated that there was not enough stakeholder engagement on CVEO. Therefore, for this reason among others, the CVEO portion of the Plan was not approved. The DPU directed the Compact to have more stakeholder engagement on CVEO. The Compact has met with many Boards of Selectmen, DOER, EEAC, and Attorney General’s Office (“AGO”) on CVEO and will continue to communicate with these entities.

Maggie Downey reviewed the Proposed Cape & Vineyard Electrification Offering (“CVEO”) Update PowerPoint. The Compact had received information on solar installations for Cape Cod and Martha’s Vineyard from the Massachusetts Clean Energy Center and Eversource. There is a concern that low-income and moderate-income consumers are being left behind in this area. These customers can’t afford to pay the upfront costs. The last EDC report stated that there were no low-income customers participating in the SMART program across the state.

The Compact has collected data that shows Cape Cod and Martha’s Vineyard requires <sup>as</sup> greater incentives when compared to what the rest of the state provides to increase participation for low- and moderate-income customers. The Compact will now be focusing on 250 customers, instead of the original 700. 150 of those customers will be low-income and 100 customers will be moderate income. At the DOER meeting the Compact stated that it would not be having low-income customers participating in the SMART program. Other customers would be then be able to get in queue. DOER is frustrated with how hard it has been to get low-income customers to install solar photovoltaics. Fred Fenlon asked if low-income renters could participate. Maggie Downey stated they could, but the property would have to be deed restricted, so customers don’t just sell their homes after the program is put in place.

Maggie Downey stated that she received a call from Attorney Seth Kaplan who asked if the Compact was interested in collaborating with his company, Mayflower Wind LLC. Mayflower Wind LLC is placing a bid to the state for offshore wind. It is offering to provide the Compact with \$5 million to help fund the CVEO program for low-income customers. Maggie Downey stated she is looking for direction from the board. If the Compact chooses to do so, it would enter into a memorandum of agreement with Mayflower. Brad Crowell stated that the Compact has had issues before in receiving outside funding from private parties. Maggie Downey stated that the Compact did have trouble when it received funding from Con Ed Solutions for the energy efficiency fund. Jeff Bernstein stated that in this case there would be no contract and it would be structured as a pure donation agreement. Sue Hruby asked whether the state would still have to approve the Mayflower Wind proposal. Maggie Downey stated that that is correct. Mayflower is looking to enhance its proposal.

Nate Mayo disclosed that he works with Vineyard Wind and that unless counsel states it is okay to comment, he recused himself from any discussion.

Ron Zweig asked if there was a possibility of seeing whether the Compact could receive more than \$5 million. Jeff Bernstein stated that he doesn’t know what the Mayflower proposal looks like. Maggie Downey stated that there are most likely other requirements for its proposal. The sense of the Board is that it is interested in a possible memorandum of agreement with Mayflower.

Brad Crowell asked if customers must have cold climate heat pumps, PV systems, and battery storage to participate in the CVEO program. Maggie Downey answered yes and noted that some customers may already have some of these. She also stated that this will be presented at Cape Cod Commission’s OneCape event at the end of this month and the Compact needs people to go to Boston to speak on our behalf. Joyce Flynn asked if the Compact is hoping to start the CVEO program this fall. Maggie Downey stated that staff hope to present a revised CVEO to the Energy Efficiency Advisory Council and then the DPU later this year.

#### **POWER SUPPLY PROGRAM:**

##### **1. Vote to Ratify Establishment of a \$250,000 Operating Fund Budget Reserve.**



Peter Cocolis moved the Cape Light Compact JPE ("Compact") Board of Directors vote to ratify the June 12, 2019 vote of the Executive Committee to establish an operating contingency fund account in the amount of \$250,000. The funds for this account shall be generated by the mil adder collected through the Compact's power supply program and shall accrue over a period of three years. Said funds are to be appropriated through the annual operating budget.

The Compact Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Joyce Flynn.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Nathaniel	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (16 - 0 - 0)

Richard Toole left meeting at 3:48pm.

## 2. Power Supply Rate

Austin Brandt gave an update on a recent mistake and problem by Eversource in properly incorporating the June Compact power supply rate on bills to customers. He stated that the power supply rates didn't change properly on the June meter read date for those customers with meter read dates July 1<sup>st</sup> through July 11<sup>th</sup>. All customers with meter read dates after that or customers that have opted into the local green program have been given the new power supply rate. About 43,000 customers were affected. The Compact, NextEra, and Eversource are working on addressing this problem.

Wayne Taylor and Timothy Carroll left meeting at 3:50pm.

### ADJOURNMENT:

Motion to adjourn made at 3:52 PM moved by Robert Schofield, seconded by Peter Cocolis.

Respectfully submitted,

Melissa Allard

**LIST OF DOCUMENTS AND EXHIBITS:**

- Meeting Notice/Agenda
- June 12, 2019 Draft Meeting Minutes
- CLC Bank Funds Insurance Options
- ISO New England Eligible Letter of Credit Banks
- CLC Notes to Financial Statements – December 31, 2017
- Veribanc, Inc. – The Massachusetts Banks State Ratings Report
- 2019 Operating Budget
- 2019 Energy Efficiency Budget
- Agenda Action Request: Ratify the Establishment of a Reserve Fund for CLCJPE Operations, Exclusive of Energy Efficiency Programs



Comparison of Bank Options for Securing/Insuring Cash Assets  
 Prepared for Cape Light Compact/JPE Board of Directors  
 September 11, 2019

For purpose of analysis the assumption the following average bank balances was used.

1) Energy Efficiency	\$ 4,000,000
2) Pooled Cash	\$13,000,000
3) Power Supply	\$ 1,500,000
4) Vendor and Payroll Checking	<u>\$ 614,000</u>
Total Deposits	\$19,114,000

Items Analyzed	Rockland	TD Bank	Cape Cod Five
ISO (LOC) Approved	Yes	Yes	w/US Bank or JP Morgan
Positive Pay	Yes	Yes	Yes
Municipal Exp	Yes	Yes	Yes
Veribanc Rating	Green***	Green***	Green***
Insured funds	\$250K FDIC 100% w/securities*	\$250K FDIC 100% w/securities**	100% FDIC/DIF
<b>Current Interest Earnings Rates</b>			
Accts 1-3	1.1%	n/a	n/a
Acct 4	0.2%	n/a	n/a
<b>Proposed Rate*</b>			
Accts 1-3	0.6%	1.75%*	1.87%*
Acct 4	0.2%	0.00%	0.75%
*Variable and based on Effective Funds rate currently 2.12%			
<b>CLC/JPE Annual Interest Earnings</b>			
Accts 1-3	\$111,000	\$323,750	\$345,950
Acct 4	<u>\$ 1,228</u>	<u>\$ 0</u>	<u>\$ 4,605</u>
Total	\$112,228	\$323,750	\$350,555
Bank Fees	\$ 20,230*	\$ 3,027**	\$ 9,000***
CLC/JPE Net Annual Earnings after fees	\$ 91,998*	\$320,723**	\$341,555***

\*Rockland reduced interest by .5% to cover collateralized securities needed to insure 100% of deposits  
 -Annual fee for LOC renewal

\*\*TD Bank Fee for LOC renewal. Bank service fees are Variable. No fee for collateralized securities  
 -Projected \$700+ is offset by projected Earnings Credit of large average deposits

\*\*\*CC5 Fee is their cost to Partner w/ISO approved bank. CC5 will engage in process to receive approval from ISO  
 -No bank service fees will be assessed

2019 Budgeted (Based on 2019 EES)

Program	PP&A	Mechanizing	Incentives	ST&T	ENV	Total PA Costs
A - Residential	\$ 1,246,130	\$ 716,482	\$ 17,480,938	\$ 4,786,107	\$ 781,497	\$ 24,972,845
A1 - Residential New Buildings	\$ 41,308	\$ 23,963	\$ 525,471	\$ 20,072	\$ -	\$ 610,714
A1a - Residential New Homes & Remodels	\$ 41,308	\$ 23,963	\$ 455,471	\$ 20,072	\$ -	\$ 610,714
A2 - Residential Existing Buildings	\$ 946,191	\$ 485,308	\$ 15,358,771	\$ 4,766,035	\$ -	\$ 23,556,205
A2a - Residential Coordinated Delivery	\$ 493,251	\$ 163,317	\$ 8,511,779	\$ 1,720,231	\$ -	\$ 10,798,567
A2b - Residential Construction Services (RCS)	\$ 85,291	\$ 47,845	\$ 5,411,495	\$ 45,741	\$ -	\$ 10,800,376
A2c - Residential Retail	\$ 114,064	\$ 248,148	\$ 167,100	\$ 62,215	\$ -	\$ 7,903,844
A2d - Residential Rental	\$ 38,391	\$ 9,679	\$ 167,100	\$ 62,215	\$ -	\$ 416,077
A2e - Residential Active Demand Reduction	\$ 13,932	\$ 18,314	\$ 141,998	\$ 163,732	\$ -	\$ 318,156
A2f - Residential Hard-to-Peak	\$ 354,259	\$ 311,209	\$ 1,520,816	\$ 2,413,311	\$ 733,497	\$ 3,945,902
A2f1 - Residential Storage Heating	\$ -	\$ 133,019	\$ -	\$ 2,413,311	\$ -	\$ 2,546,330
A2f2 - Residential Storage Heating	\$ 6,160	\$ -	\$ -	\$ -	\$ -	\$ 6,160
A2f3 - Residential DOR Alternatives	\$ 145,080	\$ -	\$ -	\$ -	\$ -	\$ 145,080
A2f4 - Residential Sponsorships & Substitutions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A2f5 - Residential Workforce Development	\$ -	\$ -	\$ -	\$ 31,590	\$ -	\$ 31,590
A2f6 - Residential Evaluation and Market Research	\$ 30,557	\$ -	\$ -	\$ -	\$ 33,497	\$ 64,054
A2f7 - Residential EAC Considerations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A2f8 - Residential R&D and Demonstration	\$ 72,651	\$ 29,191	\$ 1,484,190	\$ 116,531	\$ -	\$ 1,632,062
A2f9 - Residential HEAT Loan	\$ -	\$ 75,000	\$ -	\$ 50,000	\$ -	\$ 125,000
B - Income Eligible	\$ 221,194	\$ 95,819	\$ 3,010,377	\$ 486,143	\$ 35,410	\$ 4,048,943
B1 - Income Eligible Existing Buildings	\$ 163,131	\$ 73,794	\$ 3,010,377	\$ 455,142	\$ -	\$ 3,923,544
B1a - Income Eligible Coordinated Delivery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1b - Income Eligible Active Demand Reduction	\$ 163,131	\$ 73,794	\$ 3,010,377	\$ 455,142	\$ -	\$ 3,923,544
B1c - Income Eligible Hard-to-Peak	\$ 46,097	\$ 21,823	\$ -	\$ 23,000	\$ 35,410	\$ 106,330
B1d - Income Eligible Storage Heating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1e - Income Eligible Storage Heating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1f - Income Eligible DOR Alternatives	\$ 1,103	\$ -	\$ -	\$ -	\$ -	\$ 1,103
B1g - Income Eligible Sponsorships & Substitutions	\$ 29,381	\$ -	\$ -	\$ -	\$ -	\$ 29,381
B1h - Income Eligible Workforce Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1i - Income Eligible Evaluation and Market Research	\$ -	\$ -	\$ -	\$ 21,600	\$ -	\$ 21,600
B1j - Income Eligible EAC Considerations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1k - Income Eligible R&D and Demonstration	\$ 29,587	\$ -	\$ -	\$ -	\$ -	\$ 29,587
C - Commercial & Industrial	\$ 825,973	\$ 358,104	\$ 6,529,519	\$ 1,728,558	\$ 478,482	\$ 12,921,834
C1 - C&I New Buildings	\$ 47,021	\$ 2,507	\$ 140,650	\$ 210,650	\$ -	\$ 392,738
C1a - C&I New Buildings & Major Remodels	\$ 47,021	\$ 2,507	\$ 140,650	\$ 210,650	\$ -	\$ 392,738
C2 - C&I Existing Buildings	\$ 681,532	\$ 355,597	\$ 6,388,869	\$ 1,517,908	\$ 478,482	\$ 12,529,908
C2a - C&I Existing Building Retrofit	\$ 555,190	\$ 313,092	\$ 5,791,171	\$ 1,407,573	\$ -	\$ 11,066,956
C2b - C&I New & Replacement Equipment	\$ 79,592	\$ 39,947	\$ 194,101	\$ 110,335	\$ -	\$ 508,883
C2c - C&I Active Demand Reduction	\$ 28,811	\$ 11,562	\$ 403,597	\$ 71,311	\$ 478,482	\$ 1,202,763
C2d - C&I Hard-to-Peak	\$ 112,419	\$ 68,788	\$ 37,500	\$ 28,354	\$ -	\$ 247,061
C2e - C&I Storage Heating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2f - C&I Storage Heating	\$ 3,337	\$ -	\$ -	\$ -	\$ -	\$ 3,337
C2g - C&I DOR Alternatives	\$ 97,510	\$ -	\$ -	\$ -	\$ -	\$ 97,510
C2h - C&I Sponsorships & Substitutions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2i - C&I Workforce Development	\$ -	\$ 5,000	\$ -	\$ 24,324	\$ -	\$ 29,324
C2j - C&I Evaluation and Market Research	\$ -	\$ -	\$ -	\$ -	\$ 478,482	\$ 478,482
C2k - C&I EAC Considerations	\$ 16,551	\$ -	\$ -	\$ -	\$ -	\$ 16,551
C2l - C&I R&D and Demonstration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 2,288,869	\$ 1,181,403	\$ 30,819,954	\$ 7,114,038	\$ 1,307,007	\$ 41,972,464

2019 Actuals through Aug 2019

Program	PP&A	Mechanizing	Incentives	ST&T	ENV	Total PA Costs
A - Residential	\$ 1,024,813	\$ 313,391	\$ 9,851,319	\$ 2,210,215	\$ 271,177	\$ 15,891,334
A1 - Residential New Buildings	\$ 35,363	\$ 10,030	\$ 352,961	\$ 75,307	\$ -	\$ 484,261
A1a - Residential New Homes & Remodels	\$ 35,363	\$ 10,030	\$ 352,961	\$ 75,307	\$ -	\$ 484,261
A2 - Residential Existing Buildings	\$ 811,995	\$ 237,540	\$ 6,856,273	\$ 1,533,021	\$ -	\$ 11,438,849
A2a - Residential Coordinated Delivery	\$ 418,549	\$ 129,460	\$ 4,217,218	\$ 1,061,904	\$ -	\$ 7,820,148
A2b - Residential Construction Services (RCS)	\$ 71,135	\$ 23,985	\$ -	\$ 797,697	\$ -	\$ 894,817
A2c - Residential Retail	\$ 267,265	\$ 107,578	\$ 2,170,475	\$ 276,293	\$ -	\$ 2,821,611
A2d - Residential Rental	\$ 31,916	\$ 6,419	\$ 228,564	\$ 12,081	\$ -	\$ 278,975
A2e - Residential Active Demand Reduction	\$ 10,179	\$ 1,982	\$ -	\$ 3,715	\$ -	\$ 5,876
A2f - Residential Hard-to-Peak	\$ 186,696	\$ 112,200	\$ 857,125	\$ 168,327	\$ 271,177	\$ 1,510,525
A2f1 - Residential Storage Heating	\$ -	\$ 71,889	\$ -	\$ -	\$ -	\$ 71,889
A2f2 - Residential Storage Heating	\$ 18,177	\$ -	\$ -	\$ -	\$ -	\$ 18,177
A2f3 - Residential DOR Alternatives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A2f4 - Residential Sponsorships & Substitutions	\$ -	\$ -	\$ -	\$ 398	\$ -	\$ 398
A2f5 - Residential Workforce Development	\$ -	\$ -	\$ -	\$ 9,157	\$ -	\$ 9,157
A2f6 - Residential Evaluation and Market Research	\$ -	\$ -	\$ -	\$ -	\$ 210,775	\$ 210,775
A2f7 - Residential EAC Considerations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A2f8 - Residential R&D and Demonstration	\$ 42,118	\$ 17,248	\$ 857,125	\$ 89,258	\$ -	\$ 1,000,749
A2f9 - Residential HEAT Loan	\$ -	\$ 29,084	\$ -	\$ 8,512	\$ -	\$ 37,596
B - Income Eligible	\$ 144,362	\$ 31,553	\$ 1,464,925	\$ 317,753	\$ -	\$ 1,958,593
B1 - Income Eligible Existing Buildings	\$ 144,362	\$ 31,553	\$ 1,464,925	\$ 317,753	\$ -	\$ 1,958,593
B1a - Income Eligible Coordinated Delivery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1b - Income Eligible Active Demand Reduction	\$ 144,362	\$ 31,553	\$ 1,464,925	\$ 317,753	\$ -	\$ 1,958,593
B1c - Income Eligible Hard-to-Peak	\$ 21,182	\$ 16,582	\$ -	\$ -	\$ 47,410	\$ 85,174
B1d - Income Eligible Storage Heating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1e - Income Eligible Storage Heating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1f - Income Eligible DOR Alternatives	\$ 22,246	\$ -	\$ -	\$ -	\$ 67	\$ 22,313
B1g - Income Eligible Sponsorships & Substitutions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1h - Income Eligible Workforce Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1i - Income Eligible Evaluation and Market Research	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1j - Income Eligible EAC Considerations	\$ 9,917	\$ -	\$ -	\$ -	\$ 47,543	\$ 57,460
B1k - Income Eligible R&D and Demonstration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C - Commercial & Industrial	\$ 656,813	\$ 148,033	\$ 2,168,482	\$ 628,945	\$ 319,221	\$ 10,901,776
C1 - C&I New Buildings	\$ 25,627	\$ 4,615	\$ 72,827	\$ 60,079	\$ -	\$ 163,948
C1a - C&I New Buildings & Major Remodels	\$ 25,627	\$ 4,615	\$ 72,827	\$ 60,079	\$ -	\$ 163,948
C2 - C&I Existing Buildings	\$ 555,872	\$ 113,347	\$ 2,095,655	\$ 568,866	\$ 319,221	\$ 10,737,828
C2a - C&I Existing Building Retrofit	\$ 495,511	\$ 97,101	\$ 2,018,190	\$ 544,602	\$ -	\$ 10,410,899
C2b - C&I New & Replacement Equipment	\$ 57,023	\$ 16,226	\$ 268,715	\$ 90,281	\$ -	\$ 682,235
C2c - C&I Active Demand Reduction	\$ 1,136	\$ 227	\$ -	\$ 621	\$ 2,013	\$ 3,997
C2d - C&I Hard-to-Peak	\$ 75,616	\$ 49,801	\$ -	\$ 12,813	\$ 319,221	\$ 507,451
C2e - C&I Storage Heating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2f - C&I Storage Heating	\$ 75,616	\$ 49,801	\$ -	\$ 12,813	\$ 319,221	\$ 507,451
C2g - C&I DOR Alternatives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2h - C&I Sponsorships & Substitutions	\$ -	\$ -	\$ -	\$ -	\$ 219	\$ 219
C2i - C&I Workforce Development	\$ -	\$ 81	\$ -	\$ 1,813	\$ -	\$ 1,894
C2j - C&I Evaluation and Market Research	\$ -	\$ -	\$ -	\$ -	\$ 319,221	\$ 319,221
C2k - C&I EAC Considerations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2l - C&I R&D and Demonstration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 1,881,415	\$ 576,519	\$ 14,001,290	\$ 3,181,953	\$ 610,398	\$ 26,073,607

as Percent

Program	PP&A	Mechanizing	Incentives	ST&T	ENV	Total PA Costs
A - Residential	\$ 5.4%	\$ 2.6%	\$ 45.1%	\$ 12.4%	\$ 2.8%	\$ 58.3%
A1 - Residential New Buildings	\$ 0.2%	\$ 0.1%	\$ 1.6%	\$ 0.4%	\$ 0%	\$ 0.3%
A2 - Residential Existing Buildings	\$ 4.2%	\$ 2.5%	\$ 43.5%	\$ 12.0%	\$ 2.8%	\$ 65.0%
B - Income Eligible	\$ 0.8%	\$ 0.2%	\$ 7.6%	\$ 1.6%	\$ 0%	\$ 9.2%
C - Commercial & Industrial	\$ 3.6%	\$ 1.7%	\$ 14.7%	\$ 3.8%	\$ 6.0%	\$ 23.8%

Operating Budget Expenditures Through September 5, 2019

ORG	OBJECT ACCOUNT DESCRIPTION	ORIGINAL APPJ	REVISED BUDGET	YTD EXPENDED	AVAILABLE BUD	% USED
01001	5110 OP-SALARIES	80,176	80,176	49,630.98	30,545	61.90
01001	5119 OP-SALARY RESERVE	5,000	5,000	0.00	5,000	0.00
01001	5171 OP-RETIREMENT	20,044	20,044	8,013.50	12,031	40.00
01001	5173 OP-GROUP INSURANCE	12,035	12,035	10,242.19	1,793	85.10
01001	5174 OP-MEDICARE/OTHER TAXES	2,060	2,060	632.23	1,428	30.70
01001	5175 STATE UNEMPLOYMENT INSURANCE	0	1,000	231.44	769	23.10
01001	5179 OP-MISC FRINGES	7,090	6,090	178.00	5,912	2.90
01001	5180 OP-RETIREMENT LIABILITY	5,300	5,300	0.00	5,300	0.00
01001	5181 OP-OPEB LIABILITY	7,100	7,100	0.00	7,100	0.00
01001	5210 OP-UTILITIES	500	1,000	167.22	833	16.70
01001	5270 OP-MISC RENTALS	3,500	2,855	0.00	2,855	0.00
01001	5272 OP-RENT	22,500	22,500	15,000.00	7,500	66.70
01001	5290 OP-CUSTODIAL SERVICES	3,938	3,438	2,596.88	841	75.50
01001	5301 OP-ADVERTISING	170,000	170,000	68,423.04	101,577	40.20
01001	5309 OP-IT SERVICES	5,000	5,000	575.63	4,424	11.50
01001	5313 OP-STAFF PROFESSIONAL DEVELOP	5,000	5,000	385.67	4,614	7.70
01001	5314 OP-PAYROLL SERVICES	500	1,500	1,020.58	479	68.00
01001	5315 OP-LEGAL SERVICES	230,800	225,800	66,096.92	159,703	29.30
01001	5316 OP-AUDIT FEES	11,250	11,250	4,820.00	6,430	42.80
01001	5318 OP-TREASURY SERVICES	5,000	5,500	5,061.77	438	92.00
01001	5319 OP-CONTRACTUAL	20,000	20,000	8,161.24	11,839	40.80
01001	5320 OP-OUTREACH/MARKETING CONTRACT	75,000	75,000	63,286.19	11,714	84.40
01001	5341 OP-POSTAGE	26,500	21,500	5,839.38	15,661	27.20
01001	5343 OP-TELEPHONES	3,500	3,500	1,663.11	1,837	47.50
01001	5344 OP-INTERNET	5,000	5,000	3,321.89	1,678	66.40
01001	5345 OP-PRINTING	8,000	8,000	7,304.77	695	91.30
01001	5400 OP-SUPPLIES	2,500	2,500	48.93	2,451	2.00
01001	5490 OP-FOOD SUPPLIES	5,000	5,000	199.22	4,801	4.00
01001	5710 OP-TRAVEL IN STATE	17,000	17,000	4,457.42	12,543	26.20
01001	5720 OP-TRAVEL OUT STATE	6,000	6,000	2,292.01	3,708	38.20
01001	5730 OP-SPONSORSHIPS	39,300	39,300	34,654.50	4,646	88.20
01001	5731 OP-SUBSCRIPTIONS	20,000	19,000	18,769.50	231	98.80
01001	5732 OP-SOFTWARE LICENSES	1,000	4,000	1,821.47	2,179	45.50
01001	5741 OP-INSURANCE	10,600	20,745	20,745.00	0	100.00
01001	5786 OP-BANK FEES	500	500	0.00	500	0.00
01001	5789 OP-UNPAID BILLS	2,000	2,000	0.00	2,000	0.00
01001	5850 OP-MISC EQUIPMENT	0	0	58.55	-59	100.00
01001	5854 OP-FINANCIAL SOFTWARE SYSTEM	5,000	5,000	2,427.49	2,573	48.50
01001	5855 OP-COMPUTER EQUIPMENT	5,000	2,000	551.19	1,449	27.60
5855	Total 5855 COMPUTER EQUIPMENT	5,000	2,000	551.19	1,449	27.60
<b>Total 01 OPERATING FUND</b>		<b>\$ 848,693.00</b>	<b>\$ 848,693.00</b>	<b>\$ 408,677.91</b>	<b>\$ 440,015.09</b>	<b>48.20</b>

Mill Adder Revenue January - June \$ 502,918.55

## Consumer Advocacy Allocation Worksheet

### Parties involved:

The parties to this proceeding included the Cape Light Compact, Eversource Energy, Attorney General's Office, Department of Energy Resources, National Grid, Acadia Center, Conservation Law Foundation, EFCA/Sun Run, NRG, Low Income Network, and Mass Energy.

### Description of the Matter or Proceeding:

The Department of Public Utilities investigated the proposed Grid Modernization Plan filed by Eversource Energy. This investigation was held in furtherance of the Department's responsibilities under the Green Communities Act, St. 2008, c. 169 ("Green Communities Act") (to support the development of energy efficiency, demand response, distributed generation, and renewable resources), the Global Warming Solutions Act, St. 2008, c. 298 ("Global Warming Solutions Act") (emissions reduction targets), and its responsibilities to ensure reliable electric distribution service. See Order 12-76-B at 8-9. The Order issued on May 10, 2018, and approved \$220 million in grid-facing investments and upgrades in the electric grid over the following three years. Those investments will improve integration of renewable energy, energy storage and electric vehicles and enhance reliability, including power outage frequency and storm restoration. The investments will also automate processes to improve grid control and promote a self-healing grid. The Order issued after an adjudicatory proceeding; follow-up compliance proceedings remain pending (e.g., metrics).

### Docket Number (if any):

D.P.U. 15-122

1. Does this proceeding raise issues that may impact the Compact's administration of its three-year energy efficiency plan? If yes, please explain.  
Yes, this proceeding could have adversely affected the Compact's energy efficiency program through customer-facing investments, including advanced metering and time-varying rates, proposed by Eversource that were ultimately rejected by the Department. The Department committed to investigate targeted advanced metering, which could allow the Compact to offer enhanced energy efficiency measures. The Compact will monitor Eversource's deployment of two energy storage projects and its electric vehicle program. Hopefully, Eversource will learn from its energy storage deployments and become more comfortable with integrating storage on its grid. Eversource's grid modernization investments are also intended to improve renewable energy deployment.

2. Does this proceeding raise issues regarding the general administration of energy efficiency in Massachusetts? Are other Program Administrators parties or otherwise intervening? Other stakeholders? If yes, please explain.

Yes. Eversource Energy (a PA) filed the proposed GMP that resulted in this proceeding. National Grid (also a PA) participated as a limited party. Various energy efficiency topics are considered in this proceeding, including renewable energy integration, advanced metering, energy storage, and electric vehicles.

3. Does this proceeding raise issues regarding the Compact's administration of active demand response programs/initiatives/measures? If yes, please explain.

Yes, the proceeding raises various active demand response issues for the Compact. Based on arguments made by the Compact and other parties, the Department in its Order ended up rejecting all of Eversource's proposed customer-facing investments. The deployment of advanced metering infrastructure (which would enable time-varying rates) was a central issue considered by the Department. Eversource's advanced metering proposal would have significantly harmed active demand response by the Compact, since the Compact's customers could not have access to the meters. Eversource's proposal also offered no access to data for competitive suppliers, including the Compact, meaning that those parties could not effectively participate in the development of a demand response marketplace.

4. Does this proceeding raise issues regarding the general administration of active demand response in Massachusetts? Are other program administrators parties or otherwise intervening? Other stakeholders? If yes, please explain.

Yes, this proceeding directly impacts Eversource's administration of active demand response since it examined its proposed GMP. National Grid is also a limited party since this proceeding could impact D.P.U. 15-120, where National Grid's own GMP was investigated simultaneously by the Department. Advanced metering and other active demand response issues were a central focus in this proceeding.

5. Does this proceeding concern the efficient utilization of energy in Massachusetts? Are other Program Administrators parties or otherwise intervening? Other stakeholders? If yes, please explain.

Yes, grid modernization by nature concerns the efficient utilization of energy in Massachusetts. A key outcome sought by the Department was a more efficient grid. As noted above, Eversource and National Grid were parties to the proceeding.

6. Describe the direct energy efficiency benefit resulting from the Compact's participation in this proceeding.

Some of the grid modernization investments to be made by Eversource will improve renewable energy integration, reliability and outage response for the Compact's customers. The Department in its Order noted that "Through our preauthorization of the grid-facing investments here, we have taken the significant steps towards developing a robust distributed energy market in Massachusetts." However, perhaps the most significant benefits may result from what the Department rejected in its Order, including Eversource's opt-in advanced metering proposal which would not have included any Compact customers. With that rejection, the Department will now undertake a new investigation to examine targeted deployment of advanced metering and – significantly – will examine the role of municipal aggregation and the competitive markets generally in advanced metering. There is the potential through this investigation for a much more beneficial outcome for the Compact's energy efficiency program.

7. Is the described benefit quantifiable? If yes, please explain and provide any supporting documentation.

No. While the investment that Eversource will undertake into grid modernization will be valued at \$220 million for three years, there is no way to value the benefits received from the parts of Eversource's proposal that were rejected by the Department in its Order. In particular, Eversource's advanced metering proposal would have resulted in significant harm to the Compact and its customers.

8. Will the Compact's participation assist its planning for future energy efficiency plans and/or programs?

Yes. The Department in its Order directed that a future investigation be opened to consider targeted deployment of advanced metering. This proceeding is of great interest to the Compact, which could be an ideal selection for such targeted deployment. The Department's interest in energy storage with Eversource undertaking two demonstration projects is also useful. It is important for the Compact to understand what grid modernization investments Eversource will undertake as well.

9. Is the Compact's participation in this proceeding a reasonable use of energy efficiency ratepayer funds? Please explain.

Yes, it was necessary for the Compact to participate given the direct impact the outcome would have on the Compact and its customers. Eversource's proposed plan would have ensured advanced metering only for its own Basic Service customers, and would not have allowed the Compact to offer enhanced energy efficiency. The Compact's argument sought to ensure consistent opportunities across energy efficiency service territories.

10. Does this proceeding involve other non-energy efficiency issues? If yes, please explain.



Yes, the proceeding also implicated power supply concerns, including Eversource's proposal requiring Compact customers to return to Basic Service to receive advanced metering under the grid modernization plan and other harms to the competitive markets (e.g., no access to usage data to develop innovative demand response market products).

11. What is the initial estimate of the percentage allocation between energy efficiency and non-energy efficiency issues, as set forth in this worksheet?

The estimate is 70% energy efficiency and 30% non-energy efficiency.

12. Discuss any other factors as may be appropriate.

It was important for the Compact to be involved in this proceeding as Eversource's grid modernization efforts will be ongoing for years to come. This proceeding set the stage for its jumping off point and could have been detrimental to the Compact and its customers.

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13. **To be completed at the conclusion of the proceeding/matter or every 12 months, which ever comes first,** a summary of the actual total costs associated with the Compact's participation and costs recovered through energy efficiency ratepayer funds and operating funds. A brief narrative should accompany any readjustment to the percentage allocation explaining the basis for the reallocation.

While the Order issued on May 10, 2018, there are ongoing compliance proceedings.

Please attach:

1. Initial Petition
2. Notice of Proceeding
3. Compact's Petition to Intervene
4. Agreements with Expert Consultants, if any

## Consumer Advocacy Allocation Worksheet

### Parties involved:

The parties to this proceeding included the Cape Light Compact, Eversource Energy, Attorney General's Office, Department of Energy Resources, National Grid, Acadia Center, and New England Clean Energy Council.

### Description of the Matter or Proceeding:

In the rate case order (Phase I) of the Department of Public Utilities ("DPU" or the "Department") in D.P.U. 17-05, Eversource was directed to make a compliance filing with metrics for its performance-based ratemaking mechanism in three areas: (1) improvements to customer satisfaction and engagement; (2) reductions in system peak demand from current levels; and (3) strategic planning for climate adaptation. Phase I Order at 407. On March 1, 2018, Eversource filed its Compliance Filing, including its proposals for the three metrics categories and a climate adaptation plan. The Compact participated in discovery and filed briefs in this docket. An order is pending from the DPU.

Docket Number (if any): D.P.U. 18-50

1. Does this proceeding raise issues that may impact the Compact's administration of its three-year energy efficiency plan? If yes, please explain.

Yes, this proceeding could have adversely affected the Compact's energy efficiency program through Eversource's design of its metrics program. Specifically, the Compact requested the following express conditions be added to the Department's Order in order to protect the Compact's EE program and EE generally:

(A) requiring the Company to track and report peak demand reductions according to investment source for the peak demand reduction metric;

(B) directing the Company to base any future incentive/penalty mechanism solely on reductions related to the PBRM and not related to other investment sources;

(C) confirming that the Company may not count peak demand reductions or other energy efficiency measures toward its targets unless Eversource itself funded that energy efficiency programming for both the peak demand reduction and climate adaptation metrics;

(D) requiring Eversource to redo its evaluation of at-risk substations for the climate adaptation metric to include local resources;

(E) directing Eversource to proactively promote LED light conversion for nonpublic customers under the S-1 rate tariff; and

(F) ordering that there be a comprehensive review, including stakeholder participation, of Eversource's annual report for the first five-year term of the PBRM.

2. Does this proceeding raise issues regarding the general administration of energy efficiency in Massachusetts? Are other Program Administrators parties or otherwise intervening? Other stakeholders? If yes, please explain.  
Yes, Eversource Energy (a PA) filed the proposed metrics that resulted in this proceeding. National Grid (also a PA) intervened. Metrics involving a PBR Plan could impact other distribution utilities and thus PAs. See issues raised above.
3. Does this proceeding raise issues regarding the Compact's administration of active demand response programs/initiatives/measures? If yes, please explain.  
The proceeding impacts the Compact's EE program generally and also raises LED conversion specifically.
4. Does this proceeding raise issues regarding the general administration of active demand response in Massachusetts? Are other program administrators parties or otherwise intervening? Other stakeholders? If yes, please explain.  
Yes, see above regarding LED conversion.
5. Does this proceeding concern the efficient utilization of energy in Massachusetts? Are other Program Administrators parties or otherwise intervening? Other stakeholders? If yes, please explain.  
Yes, PBR by nature concerns the efficient utilization of energy in Massachusetts since it is a program designed to separate kWh from sales. As noted above, Eversource and National Grid are parties to the proceeding.
6. Describe the direct energy efficiency benefit resulting from the Compact's participation in this proceeding.  
The Compact is concerned in this proceeding about the tracking and reporting of Eversource's peak demand reductions related to EE and grid modernization. It is important that Eversource be required to separately track its progress, in part to ensure that any future incentives do not allow for double dipping by Eversource. Through its participation here, the Compact is protecting its own EE program and also EE generally.
7. Is the described benefit quantifiable? If yes, please explain and provide any supporting documentation.  
No, while the issues are of significant concern to the Compact, there is no way to value the benefits received from the Compact's advocacy.

8. Will the Compact's participation assist its planning for future energy efficiency plans and/or programs?

It may. Depending how the DPU rules in this case, the Compact will need to ensure that EE is tracked separately and that no double dipping of incentives occurs, among other concerns discussed in #1 above.

9. Is the Compact's participation in this proceeding a reasonable use of energy efficiency ratepayer funds? Please explain.

Yes, it was necessary for the Compact to participate to protect its EE program and EE generally and also given the direct impact the outcome would have on the Compact and its customers. For example, it is important that tracking and reporting be done in a transparent manner and that incentives only be allowed once.

10. Does this proceeding involve other non-energy efficiency issues? If yes, please explain.

No, the Compact's participation is driven by EE issues.

11. What is the initial estimate of the percentage allocation between energy efficiency and non-energy efficiency issues, as set forth in this worksheet?

The estimate is 100% energy efficiency.

12. Discuss any other factors as may be appropriate.

It was important for the Compact to be involved in this proceeding as Eversource's PBR metric efforts will be ongoing for years to come. Because the PBR mechanism and these metrics are new, this proceeding sets the stage for its jumping off point and could have be detrimental to the Compact and its customers.

13. **To be completed at the conclusion of the proceeding/matter or every 12 months, which ever comes first**, a summary of the actual total costs associated with the Compact's participation and costs recovered through energy efficiency ratepayer funds and operating funds. A brief narrative should accompany any readjustment to the percentage allocation explaining the basis for the reallocation.

The DPU has not yet issued an Order.

Please attach:

1. Initial Petition
2. Notice of Proceeding
3. Compact's Petition to Intervene
4. Agreements with Expert Consultants, if any

# Cape Light Compact Energy Efficiency 2016 – 2018 Term Report



**Cape Light  
Compact**

*Working Together Toward A Smarter Energy Future*

# Overview

- Strong Performance - Aggressive Goals
- Significant Savings & Benefits for Customers
- Sound Return on Investment
- Innovative Approach to Small Business
- Competitive Cost to Achieve



# Savings



Sector	Annual Savings (MWh)		Planned v Actual (%)	
	Planned	Actual	Compact	Statewide (E)
Residential	57,234	99,239	173%	124%
Low-Income	5,314	5,562	105%	111%
Commercial & Industrial	113,244	52,637	46%	99%
Total Portfolio	175,793	157,438	90%	110%
	<b>Lifetime Savings (MWh)</b>		<b>Planned v Actual (%)</b>	
	<b>Planned</b>	<b>Actual</b>	<b>Compact</b>	<b>Statewide (E)</b>
Residential	610,325	795,280	130%	98%
Low-Income	55,469	47,288	85%	116%
Commercial & Industrial	1,025,967	560,810	55%	109%
Total Portfolio	1,691,761	1,403,378	83%	105%

- Residential
  - HES (over 12,000 assessments), Lighting
- Low Income
  - 10% Mandate, Downward Trend in Weatherization Opportunities
- C&I
  - Majority of Compact C&I are Small Businesses, which are more expensive to serve
  - Compact developed approach to serve small business customers
  - Planned to serve comprehensively, but many customers only able to install lighting

# Benefits



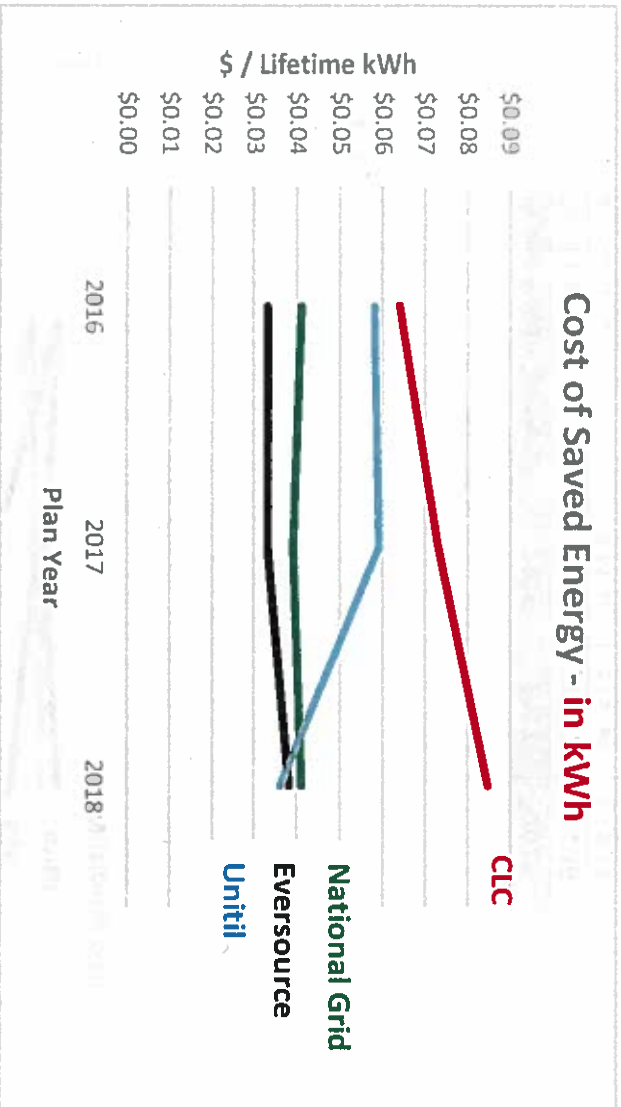
Sector	Total Benefits		Planned v Actual (%)	
	Planned	Actual	Compact	Statewide (E)
Residential	\$ 185,430,783	\$ 188,917,016	102%	95%
Low-Income	\$ 32,698,277	\$ 17,487,252	53%	107%
Commercial & Industrial	\$ 178,271,292	\$ 94,088,637	53%	107%
Total Portfolio	\$ 396,400,351	\$ 300,492,906	76%	103%

Portfolio	Benefit Cost Ratio (BCR)		
	Planned	Actual	Statewide
Portfolio	2.58	2.24	2.54

- Over \$300 Million in Benefits to Customers
- \$2.24 Return on each \$1.00 Invested
- Low Income – Downward Trend in Weatherization Opportunities
- C&I
  - Many of our businesses are micro-businesses (with approx. 14,500 of 20,000 customers using less than a residential customer) – harder to get “deeper savings”
  - Larger customers have had multiple years of service, and low-hanging fruit has been picked

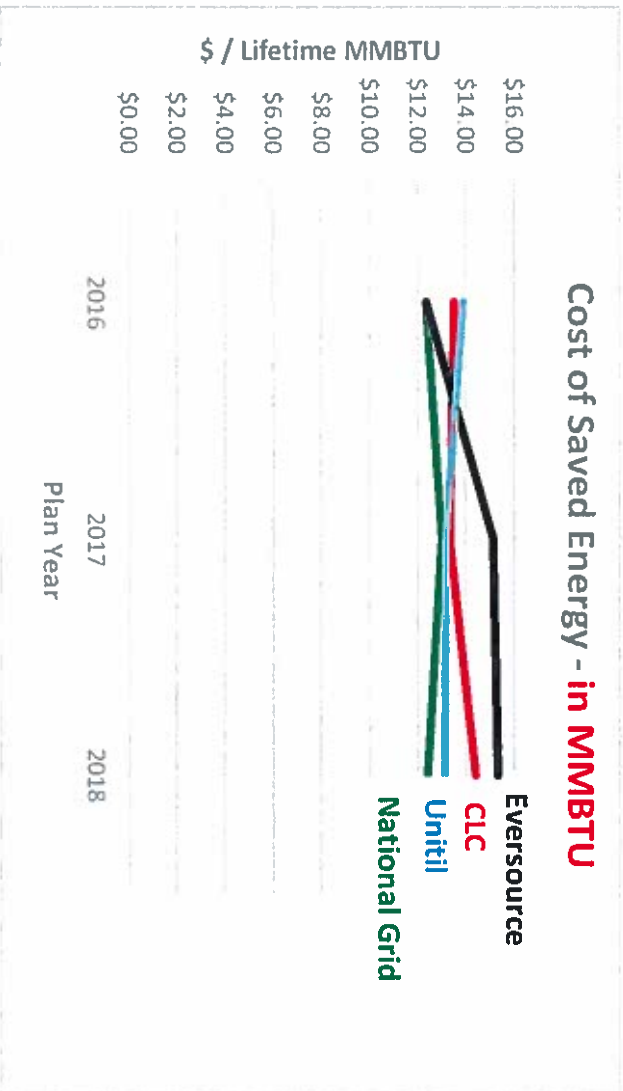


# Cost of Saved Energy - kWh



- Compact Cost/kWh higher than other PAS
- Excludes Fuel Blind Service to Oil/Propane Customers

# Cost of Saved Energy - MMBTU



Program Administrator	2016	2017	2018
Cape Light Compact	\$13.55	\$13.37	\$14.46
National Grid	\$12.34	\$12.99	\$12.43
Eversource	\$12.38	\$15.16	\$15.31
Unitil	\$13.87	\$13.20	\$13.11

- Compact Cost/MMBTU Competitive
- Includes Service to Oil/Propane Customers

# Costs



Sector	Costs		Planned v Actual (%)	
	Planned	Actual	Compact	Statewide (E)
Residential	67,887,786	67,682,666	100%	88%
Low-Income	13,466,775	8,545,867	63%	99%
Commercial & Industrial	45,966,511	28,526,892	62%	89%
Total Portfolio	127,321,073	104,755,424	82%	90%

- Residential
  - HES (over 12,000 assessments), Lighting
- Low Income
  - 10% Mandate, Downward Trend in Weatherization Opportunities
- C&I
  - Majority of Compact C&I are Small Businesses, which are more expensive to Serve
  - Planned to Serve Comprehensively, but many Customers only Interested in Lighting

# Thank you!



The Compact's 2016 – 2018 Term Report is on the Compact website at:

<https://www.capelightcompact.org/reports>